



# Instructions for Form FR-329

## Who should file Form FR-329?

File Form FR-329 if during tax year 2005 you paid a total of more than \$400 for merchandise, services, or rentals on which you did not pay sales tax. Typically, you do not pay sales tax on:

- Merchandise you ordered through catalogs;
- Merchandise shipped to DC that you bought or rented outside DC; and
- Merchandise that is taxed in DC but is not taxed in the state where purchased.

Do not file Form FR-329 for a business. Businesses should file a Form FR-800M (monthly return) or a Form FR-800A (annual return) to report sales tax on purchases and rentals.

## When is Form FR-329 due?

You must submit your return by April 18, 2006. There is no extension of time to file this form.

## How to avoid penalties and interest

### File your return on time

There is a 5% per-month penalty charged for failure to file a return or pay any tax due on time. The penalty is calculated on the unpaid tax for each month or part of a month that the return is not filed or the tax is not paid. The maximum penalty is an additional amount due, equal to 25% of the tax due.

You will be charged interest of 10% per year, compounded daily, on any tax not paid on time. Interest is calculated from the due date of the return to the date when the tax is paid.

**Make sure your check will clear.** You will be charged a \$65 fee if your check is returned to us.

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## Sales tax you owe

You should include shipping and handling charges in the sales price when they are listed as a line item on the bill.

### Line 1 Merchandise, services and rentals

Enter the total sales price of all your purchases of merchandise, services and rentals on which you did not pay any DC or state sales tax. Multiply the amount by .0575 and enter the result in the tax column.

**Taxable merchandise** includes furniture, clothing, shoes, jewelry, perfume, cosmetics, computer hardware and software, appliances, electronic equipment, cameras, antiques, art, office supplies, sporting goods and rare coins.

**Taxable services** include information services, dry cleaning, landscaping, photographic services and film processing.

**Taxable rentals** include rental of furniture, televisions, stereos, computer hardware and software and lawn equipment.

### Line 2 Alcoholic beverages

Enter the total sales price of all your purchases of alcoholic beverages on which you did not pay any DC or state sales tax. Multiply the amount by .09 and enter the result in the tax column.

### Line 3 Purchases of catered food or drink or rentals of non-commercial vehicles

Enter the total sales price of all your purchases and rentals on which you did not pay any DC or state sales tax. Multiply the amount by .10 and enter the result in the tax column.